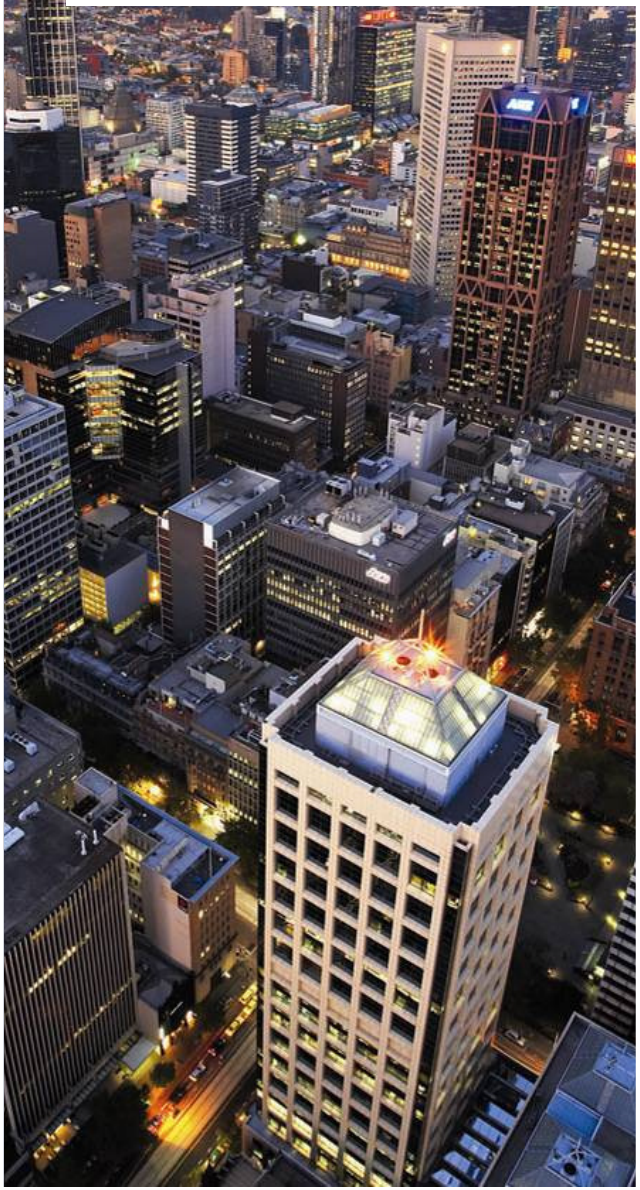

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Kansas Wind & Renewable Energy Conference 2009

Why Kansas?

Guido Reuter
Director, Procurement
Siemens Wind Power

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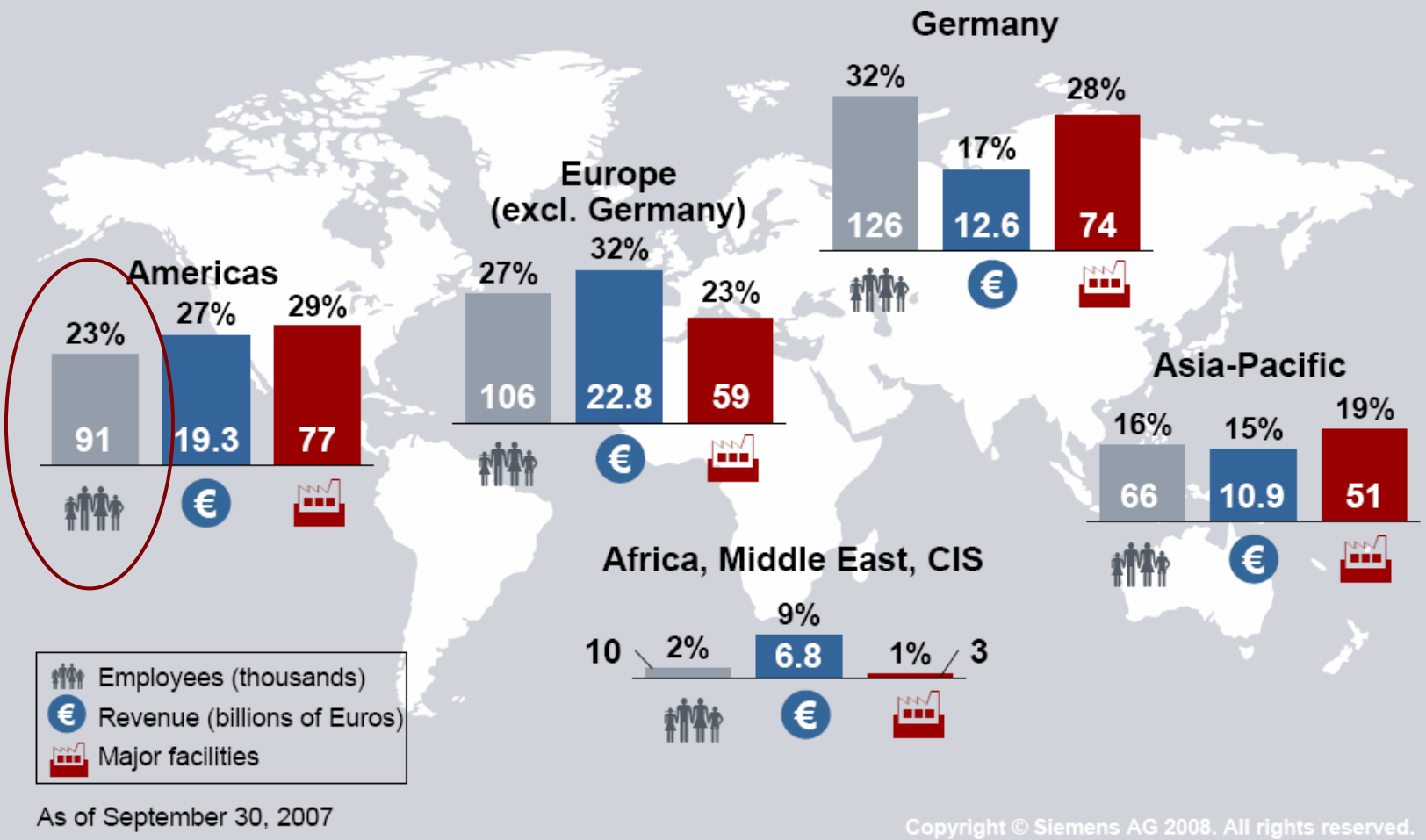
The Siemens Organization

Annual Turnover (2008)
77B Euro

Sectors	Divisions	
Industry 	▪ Industry Automation ▪ Drive Technologies ▪ Building Technologies	▪ Osram ▪ Industry Solutions ▪ Mobility
Energy 	▪ Oil & Gas ▪ Fossil Power Generation ▪ **Renewable Energy**	▪ Service Rotating Equipment ▪ Power Transmission ▪ Power Distribution
Healthcare 	▪ Imaging & IT ▪ Workflow & Solutions ▪ Diagnostics	

Siemens
Wind Power

Siemens AG – Global Presence



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Siemens answers the world's toughest questions

Future energy supply challenges

Three global megatrends in the energy sector

Demographic dynamics

- **Population growth:** 7.5 bn in 2020 (+1.1 bn)
- **Power consumption:** +5.2% p.a. in emerging regions and 1.4% in developed world
- **Megacities** (>10 million inhabitants): 23 megacities in 2015

Resource scarcity

- **Geopolitics:** 70% of world oil and gas supplies only in a few countries
- **Fuel diversity:** recent oil price spikes accelerate shift to broader fuel mix

Environmental focus

- **Global emissions:** 40% increase in air pollution over past 20 years
- **Climate change:** Global warming limited to an average increase of 2 degrees Celsius

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Siemens is THE green company

"Technological revolutions have always been our specialty. That's why no one is better equipped to lead the green revolution than Siemens. As a green infrastructure giant, the company is a reliable, long-term partner worldwide due to its experience, technological expertise and solid financial position."

Peter Löscher
President and CEO, Siemens AG
April 29, 2009

Wind power: The most important "new" renewable energy source now and in the future

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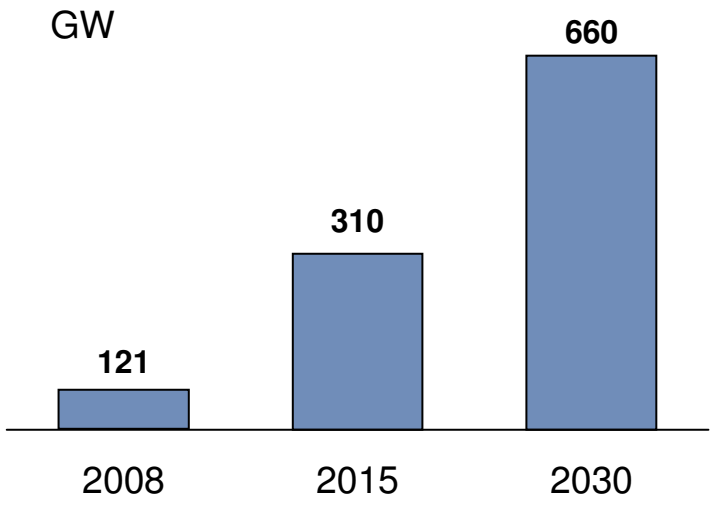
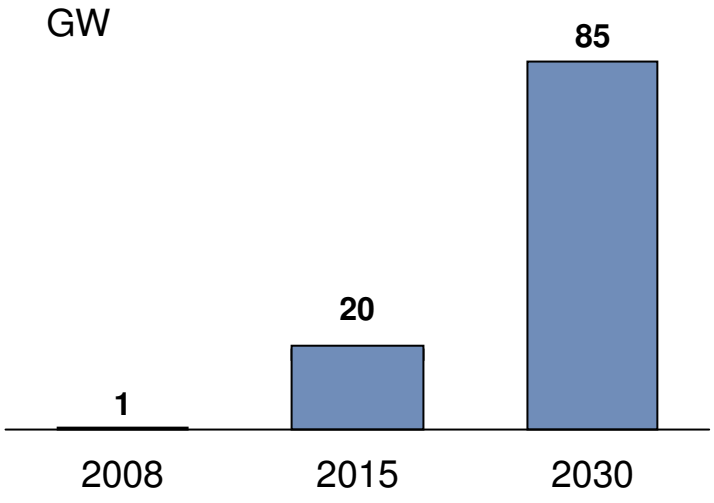
Installed onshore wind capacity



Installed offshore wind capacity



Source: Siemens Energy scenario "Base Case"

Americas remains a solid portion of the increasing global demand

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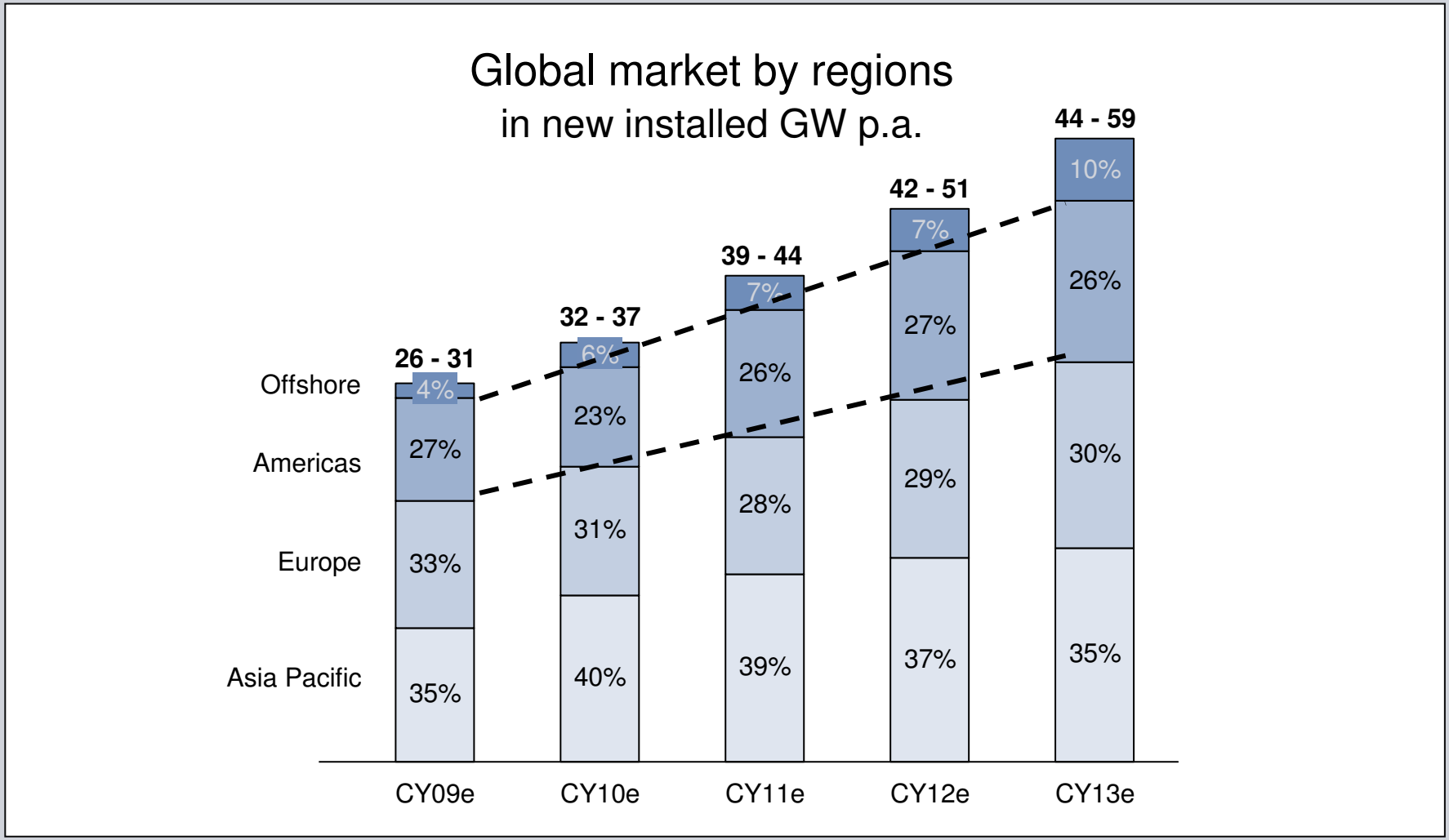

Sources: Analyst forecasts, E R WP

Siemens Wind Power - Facts

- Currently 5.600 employees (800 in 2004)
- Deliveries: 2.100 MW in 2008 (600 MW in 2004)
- Capacity: Growing at double digit rate
- Installed Base: >7.800 turbines with >8.800 MW capacity
- Record Order Entry in FY 2008
- No 1 in Offshore
- Target: Top 3 supplier in 2012

Offering a product portfolio to meet customer requirements

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SWT – 2.3- 82VS

SWT – 2.3- 93

SWT – 2.3- 101

SWT – 3.6- 107&120

Continuously monitoring market trends and needs for new product development

Onshore, Offshore, Service

SWT-2.3-93 Wind Turbine
Our Bread and Butter Machine

SIEMENS

Main data:

IEC Class:	IIA
Rotor diameter:	93 m
Blade Length:	45 m / ~50 yds
	49m / ~53 yds
Swept area:	6800 m^2
Hub height:	60-80 m / ~250 ft
Power regulation:	pitch regulated
Annual output at 8 m/s	8,800 MWh
Blade weight:	11 mt
Rotor weight:	60 mt
Nacelle weight:	82 mt / ~180,000 lbs
80 m tower weight:	158.3 mt / ~350,000 lbs

Experience data:

Prototype installed:	2004-2005
Serial production:	2005
Total number installed	increasing daily

Transportation is a major consideration

Rail transportation initiative successfully implemented

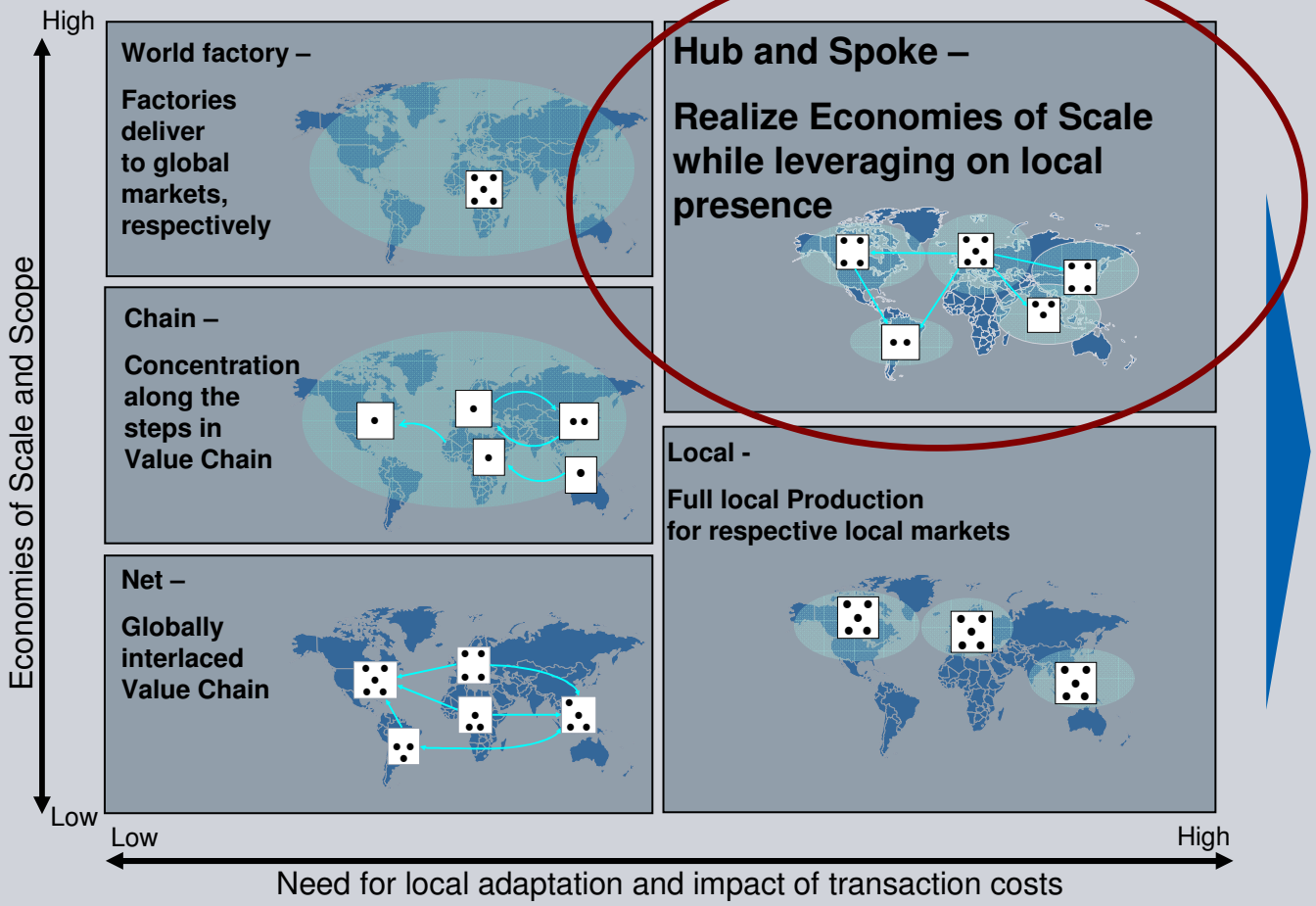

ALL
TURNER

SIEMENS

Nacelle nearing end of transport via 19 axle truck

Strategic SCM regionalization concept

E R WP 'Hub and Spoke': SCM is consolidated in three hubs, spokes will be established as locally required



'Hub and Spoke': Concept of Choice for E R WP SCM

- SCM focuses on three core markets America, Europe and China (~80% of world market) to realize economies of scale and scope
- For attractive regional markets, an adequate local SCM set-up enables E R WP to penetrate local markets, e.g. with local content requirements
- Procurement retains a global perspective for sourcing components in high quality and low costs

Source: Siemens Supply Chain and Procurement and Manufacturing 2008 / based on E. Abele

Brande plant

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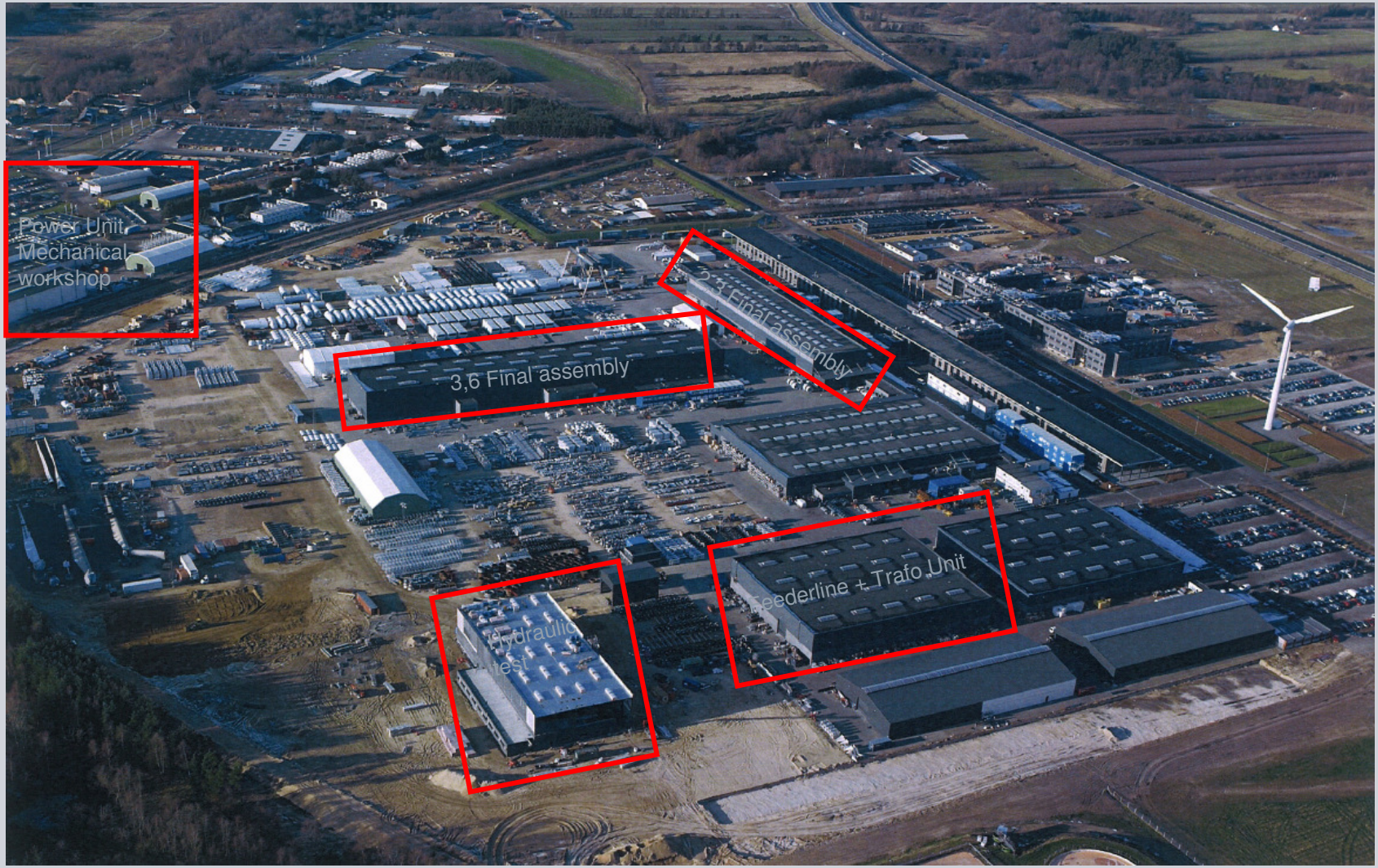

Fort Madison, Iowa, U.S. Blade Manufacturing Plant – Successful Start-up

SIEMENS

- Facility acquired in August 2006
- Initial 200,000+ square foot manufacturing space on 127 acres
- 1st blades shipped to project in August 2007
- 500 MWs production capacity (expanded to 1000 MWs beginning in 2008)
- Building expansion activities in progress
- Current employment ~400/3 shifts

Nacelle Factory Considerations

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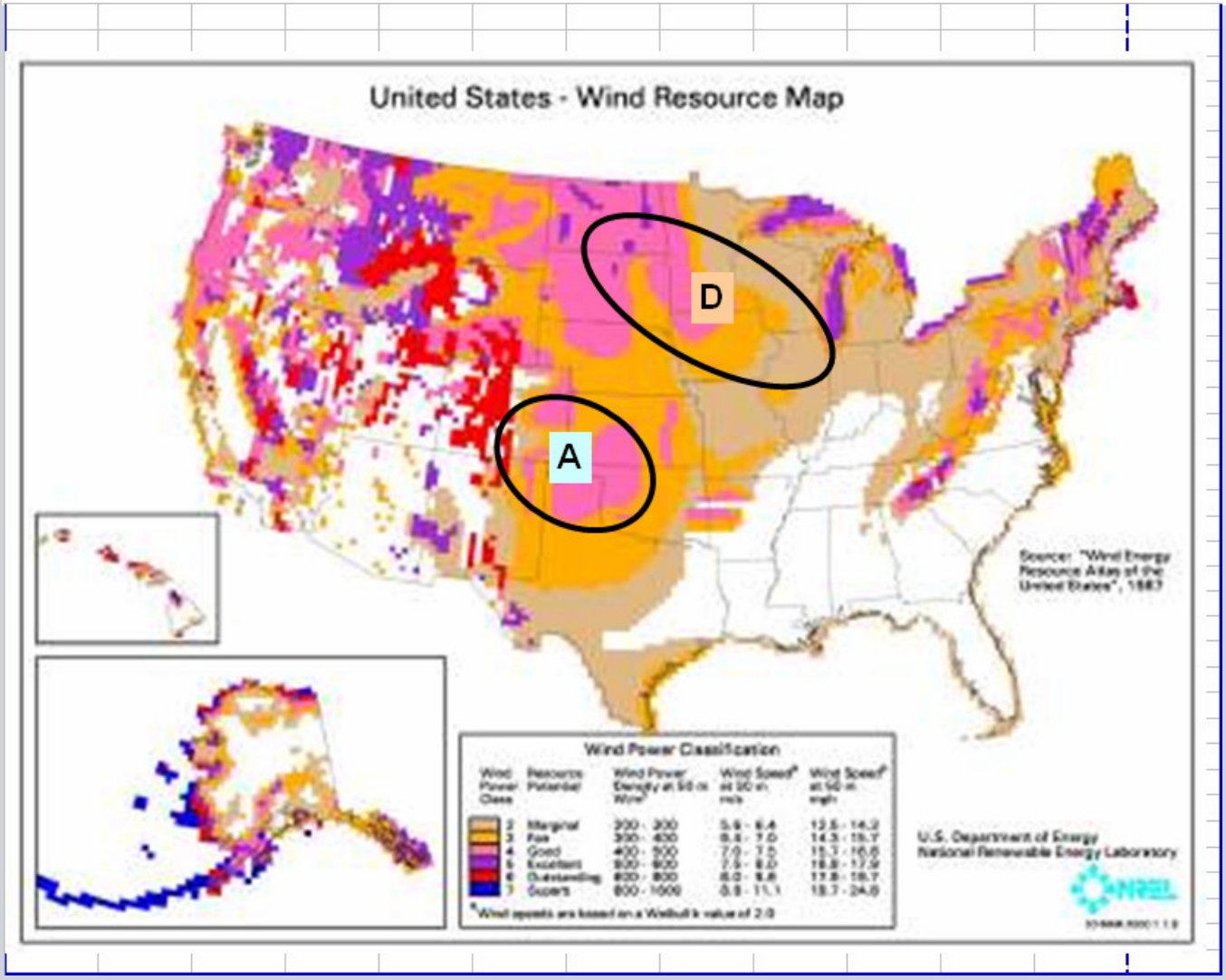
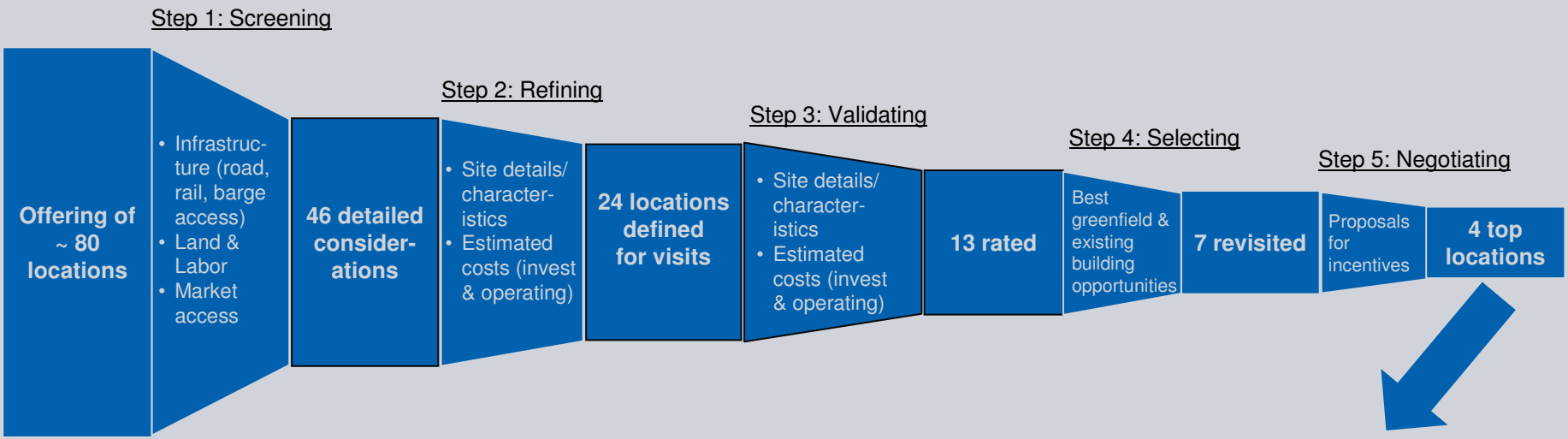
- Shipments will concentrate in wind energy zones



Other Basic Criteria

- ✓ Available, quality labor
- ✓ Assured truck transport
- ✓ Rail capable
- ✓ Barge accessible
- ✓ Competitive Incentives
- ✓ "Green" image

More than 80 locations in US were evaluated



Step 7: Deep Dive

Detailed evaluations with experts in:
- Infrastructure & Buildings (by SRE)
- Operations (by Global Nacelles)
- Labor & Training (by Regional HR)
- Transport & Logistics (by Regional Trans.)
- Incentives (by SCM & Miller Canfield (legal counsel))
- Meetings with local employers

Follow-up on all open issues

Unanimous Recommendation

Priorities, Position, People

Hutchinson, Kansas
Priorities, Position, People

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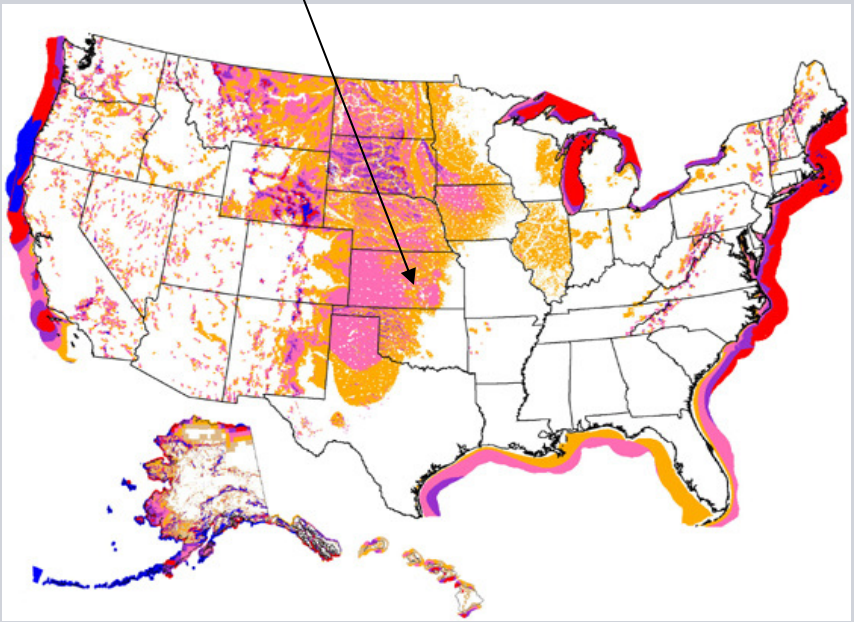

- Sizable labor pool of over 100k
- Kansas is 3rd highest state for wind energy potential
- Hutchinson is the geographic center of the lower 48 states
- Excellent business and wind support from state and local governments
- Closest site to west Texas wind zone (350 miles to Amarillo)
- Hub for many trucking firms (NAFTA Corridor)

- 108.6 Acres of flat, greenfield in expanding industrial park
- Additional, adjacent land available
- Easy highway access, rail adjacent to site and easily added to site
- Barge access at Port of Catoosa, Oklahoma is 250 miles with rail-to-barge service
- Airport is 45 minute drive to Wichita, KS and served by several major airlines


KANSAS
EST. 1861

Hutchinson Nacelle Plant

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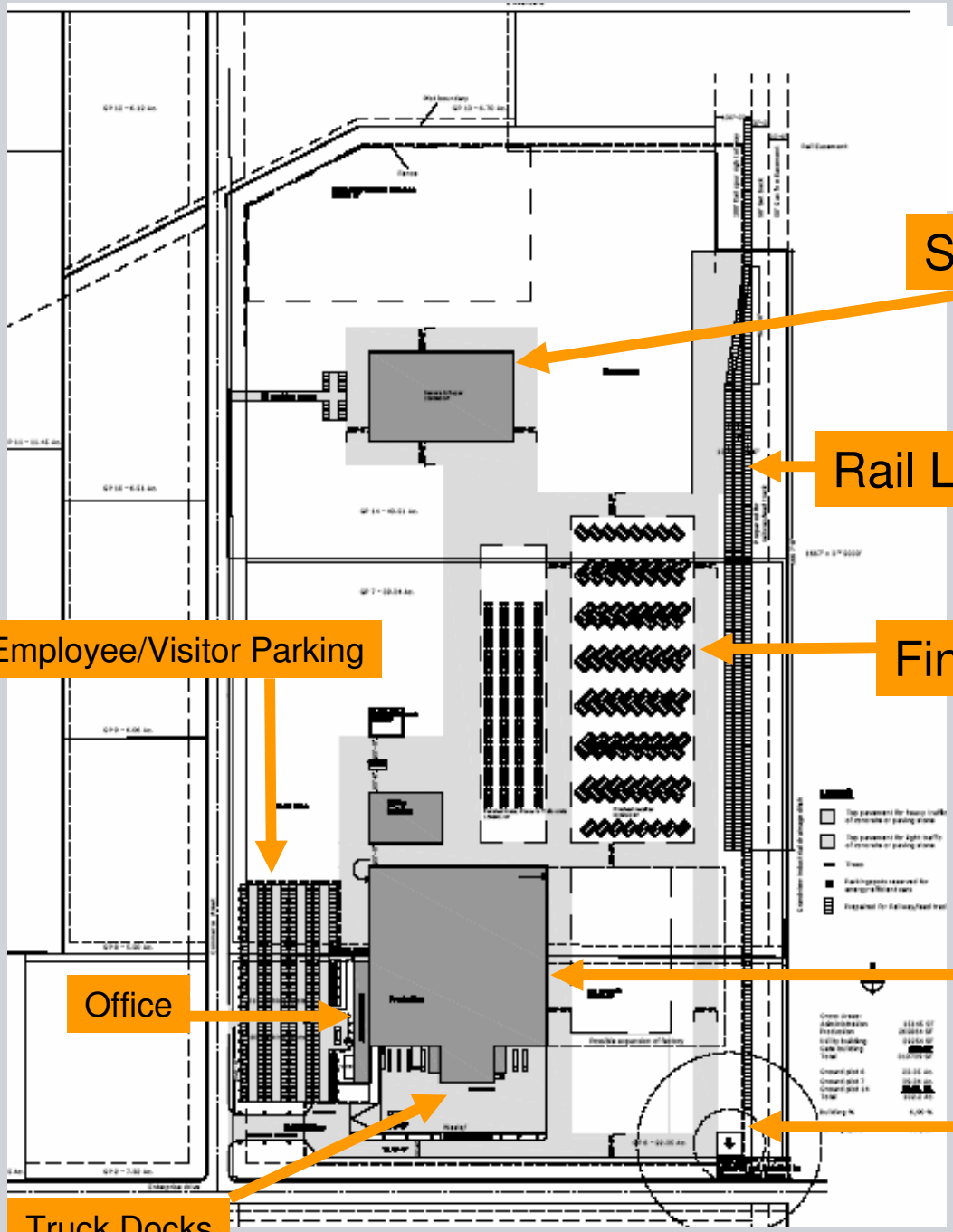

The Result -

Global Footprint of Siemens Wind Power SCM

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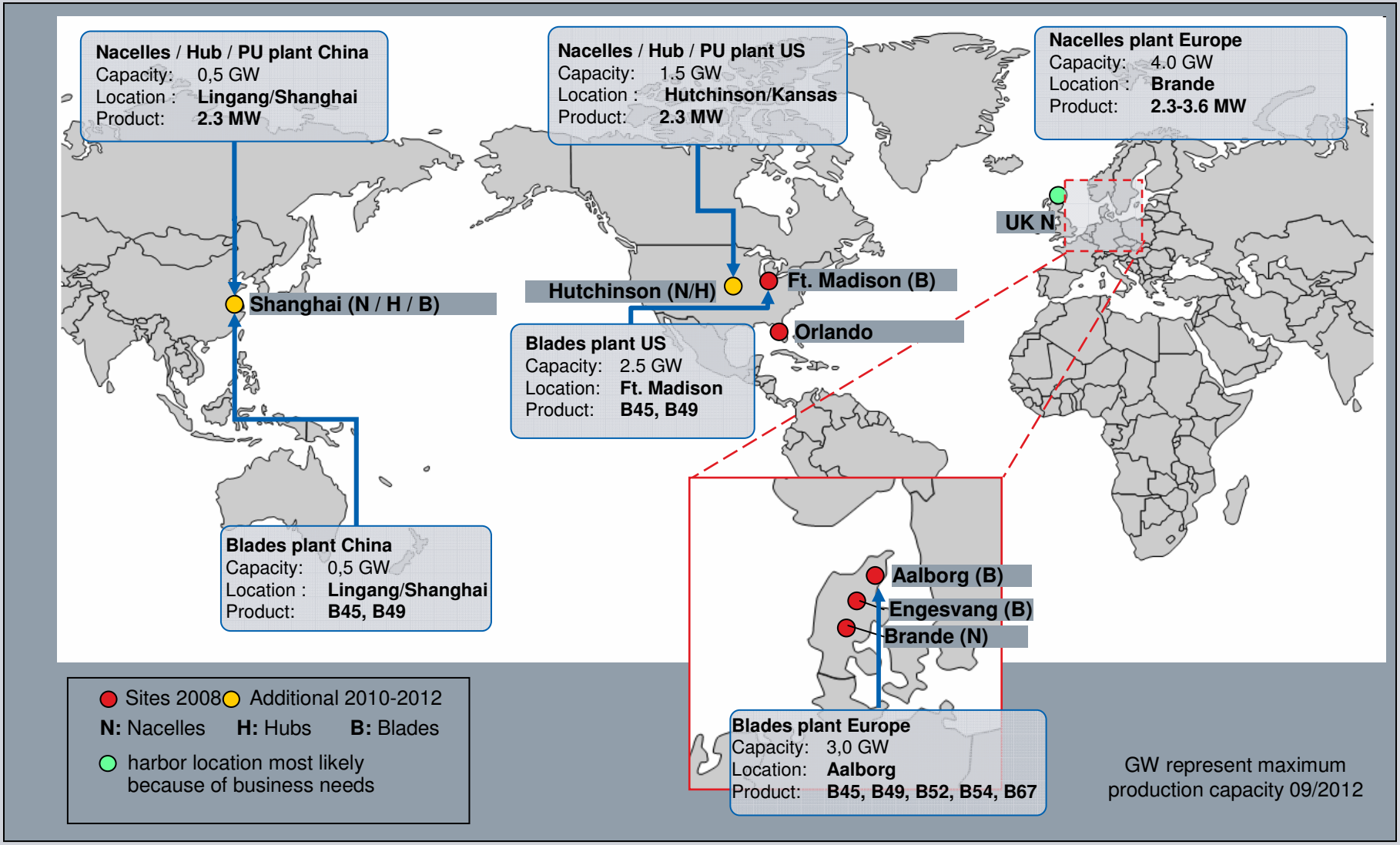


Hutchinson & Siemens Wind Power…..
Opportunity in our hands!